

Congress of the United States

Joint Economic Committee

Minority

106TH CONGRESS

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FORTNEY PETESTARK, CA
RANKING MEMBER

Who Earns the Minimum Wage?

Dear Colleague:

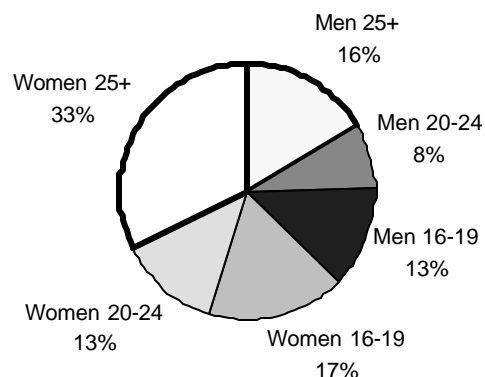
I thought the following information would be helpful to you as we consider raising the minimum wage.

The Bureau of Labor Statistics recently released data on the characteristics of minimum wage workers for 1998. The information is gleaned from the Current Population Survey (CPS), the country's most comprehensive and frequent household data source. Below are some highlights:

- In 1998, 1.6 million workers earned exactly the minimum wage of \$5.15 an hour, and another 2.8 million workers earned less (due to exclusions, reporting errors, rounding of responses, or other causes). Taken together, 4.4 million workers earned \$5.15 an hour or less in 1998.
- The West had the lowest proportion of minimum wage workers (4.5 percent), while the South had the highest proportion (7.7 percent). In the West North Central region, 5.7 percent of hourly workers earned the minimum wage.

- Nearly two-thirds of all minimum wage earners were women.
- Almost half of all minimum wage workers were 25 years old or older; 70 percent of all minimum wage workers were over 18 years of age.

Distribution of Minimum Wage Workers By Age and Sex



- Half of all minimum wage workers were employed in the retail industry, and another quarter were employed in services. In addition, 6.4 percent of the minimum wage workers were employed by the state, local, or federal government.

Distribution of All US Minimum Wage Workers by Industry in 1998		
Industry	Number of Minimum Wage Workers	Percent of All Minimum Wage Workers
Retail trade	2,334,000	52.7
Services (all)	1,100,000	24.8
Manufacturing	299,000	6.8
Government	285,000	6.4
TOTAL	4,427,000	100

- Although most of the country's minimum wage workers are employed in retail trade, private household services, as an industry, is more dependent upon minimum wage workers. Entertainment and recreation, as well as agriculture, also have a significant portion of workers earning only the minimum wage (or less).

Industries Dependent on Minimum Wage Workers		
Industry Group	Percent of Hourly Workers Earning Minimum Wage or Less	Number of Minimum Wage Workers
Private household service	24.6	120,000
Retail trade	15.3	2,334,000
Entertainment and recreation	12.3	160,000
Agriculture	10.4	118,000

Please let me know if you would like any additional information on the minimum wage or who benefits from it.

Sincerely,

Pete Stark, MC
Ranking Member